House Republican Press Release

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OP-ED: By State Representative Sean Williams

With the annual state and local budget battles about to begin once again this spring, the issue of "property tax reform" is once again being considered as a way to ease the heavy burden that government spending has placed on the backs of local property taxpayers. Most of these so-called "reform" proposals would shift more of the tax burden from the property tax to the income tax, thus further centralizing control of education funding at the state Capitol and doing nothing whatsoever to control runaway spending, which is the real cause of tax increases. We all know that it doesn't matter whether government takes the money out of our left pocket or our right pocket because when they take more of our hard earned money, our taxes ultimately go up.

Policymakers looking for a healthy dose of reality can find solace in the brave position taken recently by Illinois Governor Rod Blagojevich, a Democrat who recently rejected a similar proposal in his own state. Gov. Blagojevich, a true breath of fresh air for taxpayers and working families in his home state, grasped the real problem when he boldly said, "Any proposal that swaps income taxes and property taxes still wouldn't mean more funding for schools unless taxes go up more than they go down." Indeed, Gov. Blagojevich understands that the only true way to provide true tax relief is to rein in government spending and make government more efficient.

Chris Atkins, staff attorney with the non-partisan Tax Foundation, tells Budget & Tax News magazine in its April 2005 edition that the Illinois proposal would devastate the state's economic competitiveness. Atkins referred to the Foundation's State Business Tax Climate Index, which ranks states based on how business-friendly their policies are. He says, "This bill would almost single-handedly lower Illinois' ranking in the Index from 23rd to 38th. The economic damage inflicted by the tax increases in HB 750 would far outweigh any contemplated benefits."

If the potential damage to Illinois' tax climate is that bad, imagine what would happen to Connecticut, which in recent years has employed tax policies that have been hostile to taxpayers. Connecticut ranks 37th in the Business Tax Climate Index and already has the unflattering distinction of having the highest combined federal, state and local tax burden in the country. To add insult to injury, Connecticut residents work longer each year than taxpayers in any state just to pay their local, state and federal taxes. Connecticut's Tax Freedom Day, which calculates the day which taxpayers stop working for the government to pay taxes and start keeping what they earn, is the latest in the country. According to the Tax Freedom Day report released in April, Connecticut taxpayers work from January 1 of each year until May 3 of each year just to pay all of their taxes.

The public employee unions and some legislative Democrats propose a more "progressive income tax" as a way to pay for increased government spending. They started some time ago with the idea of a "millionaires' tax" but quickly realized that they could not generate enough revenue by simply increasing taxes on millionaires, so the threshold for those considered wealthy has quickly dropped to those individuals earning $133,800 annually. As time goes by and as government spending continues to increase at rapid rates, middle class taxpayers and working families should brace themselves for tax increases because there won't be enough people in this state earning $133,800 per year to pay for future years of rampant government overspending.

However government collects the taxes, Connecticut taxpayers are always going to be overburdened unless we give them true property tax relief, which can be accomplished by putting controls on state unfunded mandates, enacting municipal binding arbitration reform, and creating a business climate that invites business into our state, not one that entices them to leave. Our state spending continues to far outpace our taxpayers' ability to pay for it. Before considering "property tax reform," our state first needs to enact serious and far-reaching spending reform.

State Representative Sean Williams (R- Oakville) represents Connecticut's 68th Assembly District.

State Representative Sean Williams
68th Assembly District

Legislative Office Building
Room 4200
Hartford, CT 06106

Phone: 800.842.1423
Fax: 860.240.0207

E-mail: Sean.Williams@housegop.ct.gov